

Report of Independent Registered Public Accounting Firm

To the Board of Directors and Stockholders of
Fellows Energy Ltd.

We have audited the accompanying balance sheets of Fellows Energy Ltd., as of December 31, 2006 and 2005, and the related statements of operations, changes in stockholders' equity, and cash flows for the years then ended. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement. The Company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. Our audits included consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we express no such opinion. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Fellows Energy Ltd. as of December 31, 2006 and 2005, and the results of its operations and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

The accompanying financial statements have been prepared assuming that the Company will continue as a going concern. As discussed in Note 3 to the financial statements, the Company has significant losses from operations which raise substantial doubt about its ability to continue as a going concern. Management's plans in regard to these matters are described in Note 3. The financial statements do not include any adjustments that might result from the outcome of this uncertainty.

/s/ Mendoza Berger & Company
Mendoza Berger & Company
Irvine, California
April 17, 2007

EXHIBIT G

filed 4/23/07

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**Fellows Energy Ltd.
Balance Sheets**

	Year Ended Dec. 31, 2006	Year Ended Dec. 31, 2005
Assets		
Cash and Cash Equivalents	\$ 179,926	\$ 347,558
Marketable securities, available-for-sale	—	405,556
Interest Receivable	2,568	179
Accounts Receivable	80,258	
Note Receivable	233,634	99,879
Total current assets	496,386	853,172
 Proved and unproved oil & gas property	 7,468,809	 9,575,813
 Equipment, net of \$118,651 and \$18,418 accumulated depreciation respectively	 1,509,932	 287,836
Deposits	—	716,000
Restricted cash	160,000	235,000
Deferred debt issue costs	228,758	533,769
 Total assets	 <u>\$ 9,863,885</u>	 <u>\$12,201,590</u>
Liabilities And Stockholders' Equity		
Accounts payable	\$ 359,662	\$ 188,003
Joint venture partner interest payable	99,167	—
Taxes payable	9,433	—
Interest payable current portion	205,700	125,700
Notes payable current portion	1,583,111	—
Convertible debenture current portion	1,608,433	3,879,441
 Total current liabilities	 3,865,506	 4,193,144
 Interest payable – net of current portion	 154,819	 —
Notes payable – related party	1,733,000	12,000
Notes payable – net of current portion	428,000	—
Convertible debenture – net of current portion	1,385,505	1,184,407
 Stockholders' equity		
Preferred stock, \$.001 par value; 25,000,000 shares authorized; none outstanding	—	—
Common stock, \$.001 par value; 100,000,000 shares authorized; 73,447,619 and 52,545,329 shares issued and outstanding	73,447	52,545
Additional paid-in capital	19,963,497	15,973,152
Stock issuance obligation	61,055	—

Stock pledged as collateral	(1,665,000)	(1,665,000)
Accumulated deficit	<u>(16,135,944)</u>	<u>(7,548,658)</u>
Total stockholders' equity	<u>2,297,055</u>	<u>6,812,039</u>
Total liabilities and stockholders' equity	<u>\$ 9,863,885</u>	<u>\$12,201,590</u>

See accompanying notes.

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Fellows Energy Ltd.
Statements of Operations

	Years Ended	
	December 31,	
	2006	2005
Revenue	\$ 423,761	\$ —
Operating expenses		
Exploration and Production	1,027,459	1,141,202
Relinquishment of property options	3,289,387	1,143,882
General and administrative	<u>2,365,137</u>	<u>2,273,022</u>
Operating loss	(6,258,221)	(4,558,106)
Other income (expense)		
Interest expense, net	(2,721,506)	(982,031)
Gain on sale of unproved property	—	1,550,797
Gain on extinguishment of debt	—	383,531
Project revenue applied as credit to purchase	246,939	—
Note receivable default penalty	80,000	—
Re-sale of pipe	34,644	—
Insurance rebates and project purchase credit	19,993	—
Miscellaneous	<u>7,304</u>	<u>14,132</u>
Total other income (expense)	<u>(2,332,626)</u>	<u>966,429</u>
Loss before income tax	(8,590,847)	(3,591,677)
Income tax expense	—	—
Deferred tax benefit	—	—
Net loss	<u><u>\$ (8,590,847)</u></u>	<u><u>\$ (3,591,677)</u></u>
Other comprehensive income (loss)		
Unrealized holding gains on marketable securities	<u>3,561</u>	<u>516</u>
Comprehensive loss	<u><u>\$ (8,587,286)</u></u>	<u><u>\$ (3,591,161)</u></u>
Basic and diluted loss per share	\$ (0.14)	\$ (0.08)
Basic and diluted weighted average shares outstanding	<u>61,726,047</u>	<u>47,599,638</u>

See accompanying notes.

